

## EMAIL

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From: John Macgowan  
Sent: Friday, 14 July 2017 11:04 AM  
To: Anthony Roberts; Robert Vellar; Andrew Lewis  
Subject: One Pager re Donations Reform

I wrote this from AR's point of view so he can send it straight to Premier if he wants.

### Political Discussion Paper - Donations Reform

As Special Minister of State I have been asked to examine options for further reforms to political donation laws. It's SMOS view that such reform should —

- 1) Increase public trust in the probity and integrity of elections
- 2) Create a level playing field for all political campaigns
- 3) Improve the capacity of all parties to fund their campaigns in a changing marketplace

The Government is somewhat bound by its response to the 'expert panel' into political donations from 2014. It's worth noting that the appointed expert panel, whilst constituting a degree of academic and legal expertise in the broad field of constitutional law, and including two former politicians, had no expertise in the undertaking of actual political campaigns, or any type of public campaigning at all.

Public campaigning, being the end result, or product, purchased with the donations at the heart of this complex issue, should be kept at the heart of any reform agenda.

The Government's acceptance in principle of the "expert panel's" recommendations limits options for reform in some directions, these are —

The Government accepted not to pursue a total ban on political donations, or an opt-in / opt-out public funding scheme.

Not to change prohibited donor rules pending High Court challenges. That existing caps be retained and adjusted for inflation annually.

The expert panel's inquiry can however, be used as justification for further restrictions to third party campaigners. The panel recommended that caps on third party electoral expenditure be decreased to \$500,000 and adjusted for inflation.

SMOS requests a full briefing from DPC re the status of implementation of the EFED Act review to determine the current implementation timetable for the panel's proposed changes not already commenced, but further, suggests these policy proposals be incorporated for discussion:

1. Fundamentally change the way donations are collected by resourcing the Electoral Commission NSW to collect, store, and allocate donations online. Parties, individual candidates and third party campaigners would no longer be permitted to collect donations in the form of cheques, nor maintain campaign accounts. Funds would be collected by the ECNSW via credit card, BPay, or digital payment platforms, then dispersed to the party, individual or campaign nominated by the donator, after the ECNSW has checked them against the electoral roll and a list of prohibited donors. These donations can then be disclosed online in real time.

2. Reduce the cap on third party electoral expenditure to \$300,000 and impose the same registration provisions on third party campaigners as exist for parties, including the registration of members financial and otherwise. Further, make third party campaigners state the aim or goals of their campaign at the time of registration. Third party campaigner registers should also be made public. Third party campaigners should have to campaign on specific issues and be banned from advocating the election of any specific candidate or party. Further, third party campaigners to be banned from donating to any party or campaign or contributing advertising on their behalf. (subject to discussion about constitutional ramifications)
3. Tighten restrictions on foreign donations further to stipulate that donors must either represent themselves as individuals and be Australian citizens on the electoral roll, or be corporations or business entities headquartered in Australia. Impose a 'national interest test' on corporations, businesses, and organisations donations to ensure they are not attempting to leverage political favour for foreign causes.
4. Add registered lobbyists to the list of prohibited donors, and restrict registered lobbyists from undertaking third party campaigns.

A verbal briefing on the specifics of this paper will be conducted by John Macgowan from my office at your earliest convenience.

ENDS